

SENATE BILL 2687

By Jackson

AN ACT to amend Tennessee Code Annotated, Title 55, Chapter 4, Part 1, relative to requirements for registering a motor vehicle in this state.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 4, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-136.

(a) An individual applying for registration or renewal of registration for a motor vehicle shall not be issued registration plates unless the applicant furnishes evidence that the vehicle and its owner have met the requirements of the Tennessee Financial Responsibility Law of 1977, compiled in, title 55, chapter 12, for the period in which the registration or renewal will be valid. Every registration shall be accompanied by the following notice: "THIS REGISTRATION SHALL AUTOMATICALLY TERMINATE UPON THE FAILURE TO MAINTAIN EVIDENCE SHOWING THAT THIS VEHICLE AND ITS OWNER MEET THE REQUIREMENTS OF THE TENNESSEE FINANCIAL RESPONSIBILITY LAW."

(b) Submission of one (1) of the following shall be evidence sufficient to show the owner of a vehicle has complied with the requirements of the financial responsibility law as required by title 55, chapter 12:

(1) A certificate, valid for one (1) year on forms provided by the commissioner from an insurance company authorized to do business in Tennessee stating that a policy of insurance meeting the requirements of

the Tennessee Financial Responsibility Law of 1977 has been issued and will be in force during the period of registration or renewal; or

(2) A certificate, valid for one (1) year issued by the commissioner of safety stating that a cash deposit or bond in the amount required by the Financial Responsibility Law of 1977 has been paid or filed with the commissioner's office for the period of registration or renewal.

(c) Upon the cancellation or termination of any policy of insurance that was used as a basis of the certificate provided in subdivision (b)(1) prior to the expiration of such certificate where no replacement policy is issued the insurer shall within five (5) working days provide notice to the commissioner and to the insured that to the insurer's knowledge the vehicle no longer meets the requirement of the financial responsibility law and that the registration of such vehicle will automatically terminate in ten (10) working days from the date of such notice unless such requirements are met.

(d) Upon the withdrawal of any cash deposit or bond that was used as a basis for the certificate provided in subdivision (b)(2) prior to the expiration of such certificate the commissioner shall within five (5) days provide notice to the registrant that to the commissioner's knowledge the vehicle no longer meets the requirements of the financial responsibility law and that the registration of such vehicle will automatically terminate in ten (10) working days from the date of such notice unless such requirements are met.

(e) The registration of any vehicle shall automatically terminate ten (10) working days from the date of notice to the commissioner pursuant to subsection (c) or (d), unless the owner of the vehicle provides the evidence provided in subsection (b).

(f) The commissioner shall, upon receipt of the notice provided in subsection (c) or (d), immediately notify the registrant that the registration of such vehicle has terminated unless the registrant submits the evidence provided in subsection (b).

(i) Any insurance company that fails to provide the notice required in subsection (e) shall remain liable to the extent of the original policy limits for any accident the policy would have covered during the period of validity of the certificate or until the notice required in subsection (e) is provided to the commissioner, whichever is earlier.

SECTION 2. Tennessee Code Annotated, Section 55-4-101(e), is amended by designating the current language as subdivision (1) and by adding the following language as a new, appropriately designated subdivision:

(2) A temporary permit shall be issued only to a person who possesses a valid driver license and motor vehicle insurance for such vehicle at the time of the application for registration. For the purposes of this subdivision (e)(2), "valid driver license" includes any driver license, not currently under suspension, revocation or cancellation, and issued by the state or issued to a member of the United States military.

SECTION 3. Tennessee Code Annotated, Section 55-4-105(f), is amended by adding the following language at the end of the subsection:

Provided, the county clerk shall be required to verify whether the applicant possesses a valid driver license and insurance for issuance of registration plates as required by § 55-4-136.

SECTION 4. This act shall take effect September 1, 2008, the public welfare requiring it.